

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-220053

DOCKET NO. UG-220054

DOCKET NO. UE-210854

(consolidated)

EXH. AMM-17

ADRIEN M. MCKENZIE, CFA

REPRESENTING AVISTA CORPORATION

IMPLIED COST OF EQUITY

Exhibit AMM-17

Page 1 of 1

NATIONAL ALLOWED ROES

	H1		
	2022	2021	2020
1 Allowed ROE	9.39%	9.38%	9.44%
2 Average Baa Utility Yield	<u>4.45%</u>	<u>3.35%</u>	<u>3.39%</u>
3 Implied Risk Premium	4.94%	6.03%	6.05%
4 July 2022 Baa Utility Yield	<u>5.15%</u>	<u>5.15%</u>	<u>5.15%</u>
5 Change in Bond Yield	0.70%	1.80%	1.76%
6 Risk Premium/Interest Rate Relationship	<u>-0.4265</u>	<u>-0.4265</u>	<u>-0.4265</u>
7 Adjustment to Risk Premium	-0.30%	-0.77%	-0.75%
8 Adjusted Risk Premium	4.64%	5.26%	5.30%
9 Adjusted ROE	9.79%	10.41%	10.45%

1 Average ROE for electric utilities excluding limited-issue riders from S&P Global Market Intelligence, RRA Regulatory Focus (Jul. 27, 2022). Data for 2022 through June 30.

2 Moody's Credit Trends.

3 (1) - (2).

4 Moody's Credit Trends.

5 (4) - (2).

6 Exhibit AMM-11 at page 4.

7 (5) x (6).

8 (3) + (7).

9 (4) + (8).